

Jarno Öberg
Pro se creditor

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____)	
In re:)	Chapter 11
)	
Celsius Network LLC, et al.,)	Case No. 22-10964 (MG)
)	
Debtors)	(Jointly Administered)
_____)	

**LETTER TO JUDGE GLENN IN SUPPORT OF CREDITORS WHO HAVE ASSETS
IN SUSPENDED EARN ACCOUNTS**

Your honor,

I am not a legal professional, and I am not stating the following as advice to anyone. But it stands to reason and the sense of justice to make the following observations:

1. As a long-time Celsius customer I submit, that it is known among Celsius users, and acknowledged by Celsius itself, that they have had a very confusing promotion system. (See Appendix 1 below.) The promotion has, among other things, incentivized enthusiastic depositors to add also their family members to the platform. Celsius has incentivized this by offering “promo codes” that have been a constant source of issues and logical problems. There are likely to be many depositors who have have stumbled with promo codes while creating their own accounts, and while helping their family join the platform, e.g. attempting to make their advertized promo code work by restarting the signup process multiple times. I question the evidence, that such people have intended to actually misuse the system, or have upon the concept of their own activity actually misused the system in their imprudence. (Of this is mere suspicion.) As far as I know, they have not benefited in any way from that

activity, as promotional payments have not to my knowledge been paid out to any of these depositors.

2. In Celsius's terms of service, section 12, suspension of accounts means, that the assets connected to suspended accounts are not eligible to earn rewards. Considering the contract language in section 13, during account suspension, deposits that would be utilized in the earn service for available rewards are not eligible to earn them for the depositor. During suspension, such funds may remain in the earn service and presumably continue to earn rewards to which Celsius may according to section 13 claim unilateral rights. But from there merely being unilateral rights to compensation for Celsius it obviously does not follow, that unilateral rights of ownership to the underlying assets are given to Celsius. There is no conditioning language in the contract, that would confirm otherwise.

3. Instead, according to sections 4(D) and 13, the contract says that when all rights are granted to Celsius, the depositor will find himself in the situation where *he, by his elective action, is utilizing his funds to get payable rewards*. Because of the express way section 13 goes into defining this, it conditions the granting of rights and title as an issue of the depositor's agency. By this token it appears, that merely Celsius's agency as the other active participant in the earn contract, indicated in section 4(D), does not imply the granting of title and the unilateral ownership rights to Celsius. Similarly, it appears that merely being a customer of Celsius with funds in the earn service is not a sufficient condition for the granting of rights and title to Celsius.

4. In sections 4(D) and 13, the agency of the depositor concerns both his elective agency and him actively utilizing his assets. Concerning the utilization, the conditioning appears to be, that the rights and title are granted to Celsius if the depositor finds himself actively utilizing their funds towards rewards that are payable to them. If the depositor or his funds are not eligible to this activity, there is no such activity, and therefore no granting of rights and title to Celsius. When accounts are suspended, the depositor's agency is suspended with regard to this activity. And, from the foregoing it is then reasonable to conclude, that during account suspension, the rights and title are not being granted and transferred to Celsius by the depositors.

5. Concerning elective activity, if suspended depositors can't access their accounts, there is prima facie no standard way for the depositor to express and indicate elective activity to Celsius. As a question of prudence of the user, the situation is very problematic when one acknowledges, that Celsius was at the time a high-risk company with meaningful company interest to keep user deposits on the platform. So it may still follow, that concerning elective

activity before the withdrawal freeze, regarding the practical situation where the people were actually in, the title transferring clause is not present either.

6. If the depositor's elective activity and active utilization are both necessary conditions for granting rights and title, because the depositor's active utilization of the platform is absent when the accounts are suspended, these accounts are not in a situation, where they grant rights and title to Celsius. It then also appears that this was also the situation of those accounts before the withdrawal freeze. And then it would seem that, if they belong to the bankruptcy at all, suspended earn accounts are probably not similarly situated than other earn accounts are. There is expected to be a very small number of such accounts, so any resolution where this reading of the letter of the terms of service is verified would not appear to disturb the bankruptcy. Furthermore, in any situation where the terms of service are ambiguous in their implications, it is because of the imprudence of Celsius, not the depositor, so the depositor should not be harmed if that is the case.

7. The foregoing appears to be an actual issue in the contract, and it makes the case of the suspended account holders understandable and justified. They have been incentivized by Celsius with promo codes to stumble into the frying pan of account suspension because of the complicated promo codes themselves of which Celsius is responsible. In this situation the interest to the proceeds of their funds in the earn contract is unilaterally claimed from them by Celsius. And then, because of exactitudes of the contract that appears to contain an ambiguity in its entailments, the title and ownership rights are taken from them as well, and they are deemed to have become dispossessed of their funds. It is hardly surprising, that there are people who may view the situation as difficult and unjustified.

Signature

November 14, 2022

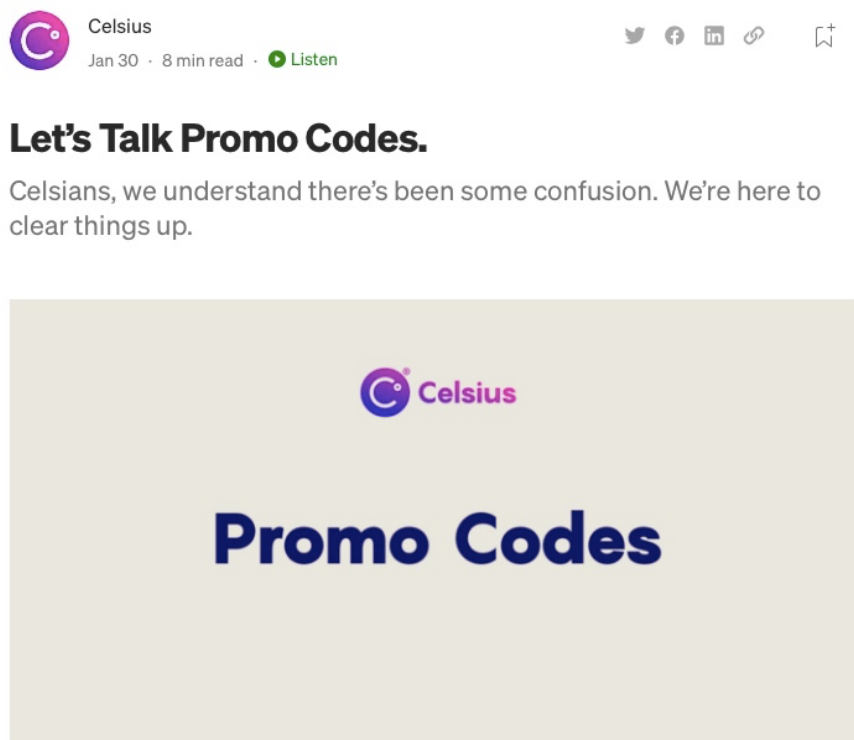
/s/ Jarno Öberg

Jarno Öberg, pro se creditor

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APPENDIX 1

1. The following is a webpage accessed on November 14, 2022 at <https://celsiusnetwork.medium.com/lets-talk-promo-codes-b27c5d2f4cf8>. The article attempts to mitigate user issues and concerns:



Let's start with the basics. What types of codes are there?

- Referral Codes: *Referral codes* have the main purpose of bringing new people in to join Celsius. Any new users can activate your referral code at **the time of signup** to create their account. Once that's done, as soon as they transfer at least \$400 to their Celsius account, you will both receive \$50 in BTC. (Notes: you must enter the actual referral code in the text box, even if a referral link was used. CelPay transfers do not activate promo codes.)
- First Transfer: Only users who have **never** transferred coins are eligible to activate *first transfer promo codes*. Please note: You can only activate one *first transfer promo code* per account. Since first transfer codes are designed for new users, you can either use a *first transfer promo code* **or** a *referral code* while signing up, **you can't use both**.
- General Transfer: New and existing users can transfer any kind of cryptocurrency, stablecoin, or gold token to meet the *general transfer* promo code conditions. Multiple coins can also be used to fulfill the required transfer amount. (Notes: This amount must equal the required USD \$ value. The amount is recorded at the time of the addition to the app.)

- **Coin-Specific Transfer:** New and existing users can transfer a specific coin or coins to meet the *coin-specific transfer* promo code requirements. Eligible coins will be clearly stated in the promo code. Some promo codes may not be available to users in some jurisdictions if the coin is not supported by Celsius or where other limitations and regulations may apply. (Notes: Do not enter these codes if you're unable to add the coins. Celsius is unable to terminate the code and will have to allow it to naturally expire over time. This could prevent any additional promo codes from activating if entered after.)

**Celsius' services, and any products or services mentioned, may not be available in all jurisdictions.*

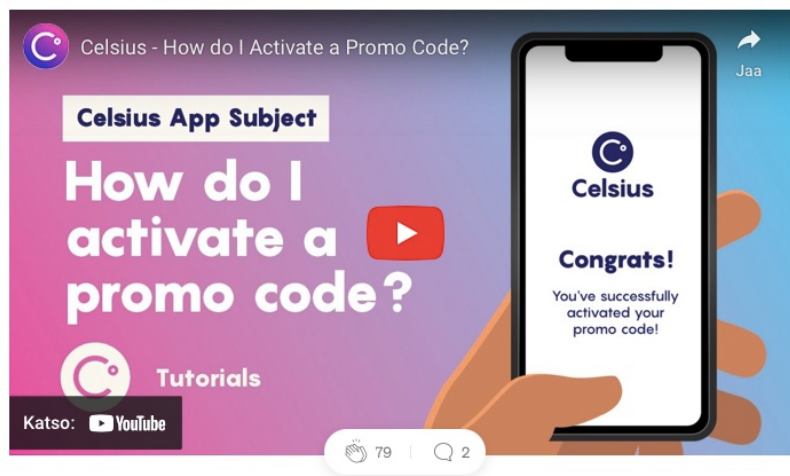
***Subject to Celsius' General Promo Terms & Conditions*

How To: Activate a promo code

1. Open the Celsius app
2. From mobile app, tap the 'profile' then 'promo codes'. From the web app, click 'promotions' from the dashboard.
4. Enter in [CODE] (promo will show as "pending")
5. Type your promo code and click "Confirm"

(Your promo code will show as "Pending" until you have transferred in enough funds to "Lock" the promo code")

Congrats! You have successfully activated your promo code. 🥳



So let's say Celsius dropped three FIRE new Avalanche promo codes and I wanted to use all of them... assuming I read the T&Cs and the promo code was available in my jurisdiction where Avalanche is supported by Celsius or where other limitations and regulations may not apply.

How to: Use multiple Coin-Specific Transfer promo codes (AVAX — edition)

***Note that these rules also apply to *General Transfer* promo codes**

1. Find the “Promo Code” button in your app
2. Enter in “AVAX20” (promo will show as “pending”)
3. Enter in “AVAX150” (promo will show as “pending”)
4. Enter in “AVAX600” (promo will show as “pending”)
5. Transfer or buy \$25,550+ AVAX (all three promos will show as “locked”)
6. Do not transfer AVAX from your app for: 90 days for AVAX20/AVAX150 and 180 days for AVAX 600
7. Once the respective holding period is finished, all promo codes will show as “claimed” and AVAX will be rewarded to your account

TIP: You can use all three different “AVAX” promo codes, but you cannot use the **same** promo code more than once.

TIP: If you're planning on using multiple promo codes at once, the order of activation matters. Best practice is to enter the promo code with the lowest amount required first.

Head to the Celsius App to take advantage of these promo codes!

* The company reserves the right to cancel this Promotion at any time

* Funds must be transferred within 30 days of activating your promo code. You must maintain an account balance, equal to or greater than your balance after completing your transfer. Transferring assets out of your account within 90/180 days of completing your transfer will disqualify you from receiving your reward. Rewards are distributed after 90/180 days of maintaining a qualifying account balance. This promo code is valid for new and existing users. This promo is limited — One-time use per promo code per customer. Customers cannot swap out of AVAX during promo lock-up period. The company reserves the right to cancel this promotion at any time. T&C's apply: celsius.network/promotion-rules.

Commonly asked questions.

Q. Where can I find official, active promo codes?

A. On our website at celsius.network/download-app

Q. What are the four promo code statuses?

A.

- **Pending:** promo code has been entered and is waiting for the required coin amount
- **Locked:** you have transferred the required amount of coins needed
- **Claimed:** you have transferred the required amount of coins needed AND successfully waited for the lock period to end (usually 30, 60, or 90 days). Bonus amount will be rewarded to your account.
- **Canceled:** the promo code is no longer valid. This could mean you transferred the coins out of the app too early, or you did not transfer enough coins.

Q. Can I use the same promo code more than once?

A. No! You **cannot** use the same promo code twice (or three times, or four times, you get the gist)

Q. Can I transfer existing coins out, then back in, to lock a promo code?

A. No! You must add **new** coins to activate codes. Existing coins in the app will not trigger promo codes. You cannot transfer your coins out, enter a code, then add that back in to activate the code. This is not considered new coins and can be viewed as abusing the promo code system (which can result in account suspension). Don't do this.

Q. How long do I need to hold my coins?

A. You must hold the coins for the required minimum holding period stated in the T&Cs.

Q. How are promo codes honored?

A. Promo codes are honored "First in, First out". Meaning all coins transferred into Celsius will be honored for the first promo code you entered and is labeled as "Pending". You must fill these codes in the order in which they were activated. (Notes: if you activate a Coin-Specific Transfer promo code for Bitcoin, then activate a *general transfer* promo code, you will need to meet the terms for the **first** activated code by transferring the required amount of Bitcoin, then fulfill the requirements for the second promo code by transferring the required amount in any coin. A single transfer will not qualify and lock both codes)

Q. I used a *referral code*, but want to use a *first transfer* promo code. What can I do?

A. If you used a *referral code* at sign-up, you will be unable to use a *first transfer promo code*. We cannot delete the referral code and activate a *first transfer promo code*. Don't worry, you can still transfer \$400+ so you and your referral both get \$50 in BTC. (Creating a new account to circumvent this will be viewed as abusing the system, which can result in account suspension)

Q. Can I use any/every coin-specific promo code that comes out?

A. No! Some promo codes may not be available to users in some jurisdictions if the coin is not supported by Celsius or where other limitations and regulations may apply. If you cannot see the coin supported in your app, do not activate the *coin-specific promo code*.

Q. Will the Celsius Swap feature potentially have an effect on promo code locking or canceling? (Assuming I have access to Swap, and Swap is available in my jurisdiction)

A. You cannot swap the asset required to lock the promo code. This will cancel the promotion.

Q. Will taking a loan affect my promo codes?

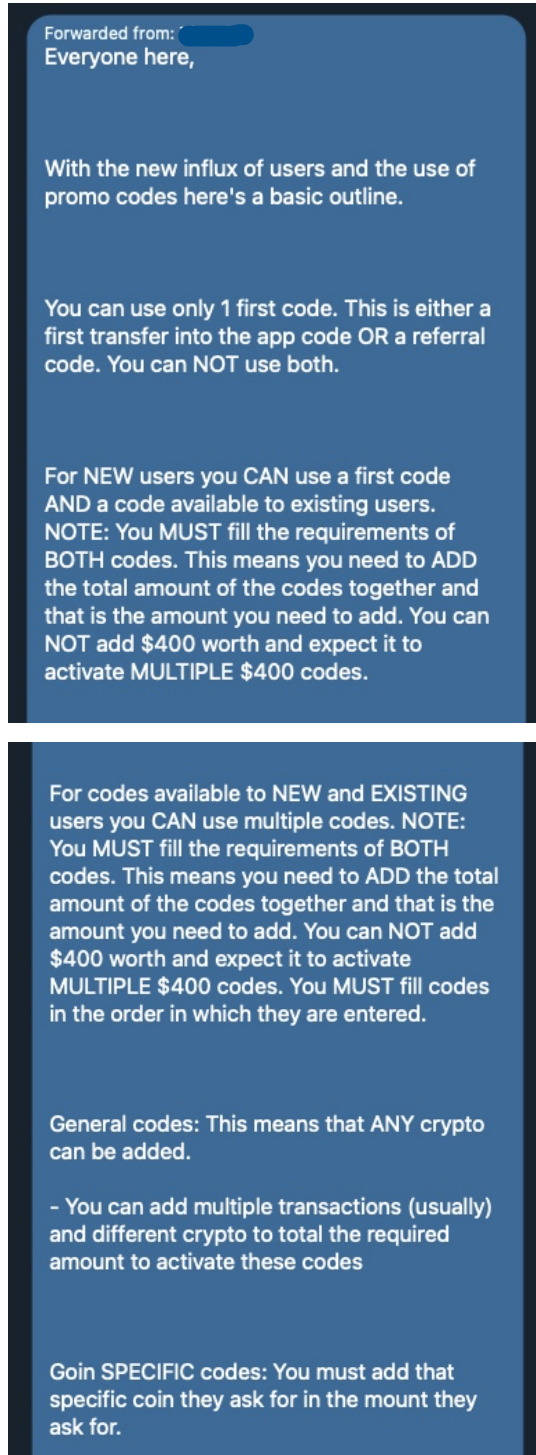
A. Loans should not affect promo codes if you remove **only** the loan amount. If this does terminate a code, please email loans@celsius.network and they will resolve matters.

Some other (not-so-fun) fun facts.

- All the required amounts shown in the T&Cs are in USD value **not** the number of coins
 - You can either transfer coins into the app or purchase new coins in the app to activate a promo code
 - A promo code has to be entered and “pending” in the app, before coins can be added
 - We cannot back-date promo codes
 - You must enter the promo code first, **then** add the required coins. It will not work in reverse order
 - Promo codes can not be canceled, once entered into the app. You will need to wait until the end of the lock period for the promo code to show as “expired”
 - Once the code is shown as “**locked**”, the value of the coins does not matter. As long as you hold for the required period of time and **do not** remove any coins from the app
 - You can not use CelPay to send coins to someone else to activate their code. This can be viewed as abusing the promo code system (which can result in both parties being suspended)
-
- Please allow for 24 hours after your promo code unlock date for rewards to become available. If this does not unlock after this period of time, please reach out to the care team via our [website request form](#) by selecting “Promo Code” under “App Feature”. Our care team will be able to handle your request efficiently, please do not open multiple tickets
 - You must maintain an account balance of equal or greater of your total account at the time you added the coins to lock the code. The best practice is to not transfer any coins during this period of time (if possible)

Last, but certainly not least. Do not forget to read the “Terms & Conditions” for each promo code.

2. The following is a message on a Celsius Community channel on Telegram Messenger, where a Celsius employee addresses user questions about promo codes in advance of them:



*All the required amounts are in USD value
NOT number of coins

* You must hold for the required period. Best practice is to NOT remove any crypto during this period of time.

*You must maintain a balance of equal or greater of your TOTAL WALLET AT THE TIME YOU ADDED THE CRYPTO TO LOCK THE CODE. This includes coins OTHER than the specific one you added to the app.

*Removing crypto before you activate a code will require you to add that crypto back and then add the required amount.

*You can not remove crypto from the app, activate a code and then add that back hoping to activate the code. This is not NEW crypto and is viewed as abusing the promo code system which can result in account suspension. Don't do this.

*You can not use CelPay to send to someone else to activate a code

*You can NOT send crypto from your wallet to another to lock a code. This is promo/referral code abuse and will result in both parties being suspended.

*You must add NEW crypto to the app to activate codes.

*Once the code is locked if the value of that crypto changes IT DOES NOT MATTER as long as you hold for the required period of time and DO NOT remove any crypto from the app.

*Promo codes can not be canceled you have to wait for it to expire.

*Celsius will not back date promo codes

*Not all coins are available to all areas. This could result in you being unable to fill the requirements of a specific promo code. If you can't see the coins in the app do not activate the coin.

*If you used a referral code then you're unable to use a first time promo code. Celsius can not delete the referral code and activate a promo code.

*Please allow for 24 hours after your promo code unlock date to become available. If this does not unlock after this period of time then email support and they will look into things.

*In app swaps DO have the possibility to terminate promo codes. Best practice is to hold for the required period of time and swap after.

Follow these directions and you should be fine and receive your crypto.

Additional information can be found here

- <https://blog.celsius.network/lets-talk-promo-codes-b27c5d2f4cf8>

- <https://support.celsius.network/hc/en-us/sections/360002050317-Reward-programs>

If you're experiencing any issue with promo codes not working, locking or have any account specific questions please email support at app@celsius.network

Medium

Let's Talk Promo Codes.

Celsiusians, we understand there's been some confusion. We're here to clear things up.



Promo Codes

7.59 ✓✓